

## TWO MONTHS PRIOR

### OVERVIEW

During this time period, documents are mailed to the financial institution to inform management of an upcoming examination and to request certain information be returned to the field office for off-site review.

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### PROCEDURES

General Procedures
<ol style="list-style-type: none"> <li>The person preparing the PEP entry letter to the financial institution should review the previous Report of Examination and correspondence file to determine: <ul style="list-style-type: none"> <li>The name of the President or Chief Executive Officer</li> <li>The address of the financial institution</li> <li>If reimbursable violations were cited at the previous examination</li> </ul> <p>If reimbursable violations were cited at the previous examination, determine the extent of review necessary for verifying Truth in Lending Restitution.</p> <p><i>NOTE: If the number of files with reimbursable violations is limited, the entry letter should be tailored to request the necessary information to determine compliance during PEP.</i></p> </li> </ol>

Contact the Financial Institution
<ol style="list-style-type: none"> <li>The EIC or the FOS should place a courtesy phone call to the President/CEO of the financial institution to verify the names of senior management and the mailing address for the PEP package. During this conversation, the EIC or FOS should determine whether the institution would prefer to forward some of the material from the Compliance Document Request (CDR) to the field office for off-site review. It should be emphasized to the President/CEO that this is the institution's option to both select and forward the material from the CDR to the field office.</li> </ol>

**PROCEDURES  
(cont'd)**

2. The following PEP material must be prepared and mailed to the financial institution:
- Entry letter
- NOTE: The examiner may utilize the FDIC letterhead located in the automated Report of Examination (ROE) under Auto Menu-Administrative Forms-Letterhead w/Seal. The document provides prompts for field office, street address, city, state and zip.*
- CIR
  - CDR
- NOTE: See the Sample Documents section for examples of the CIR and CDR. Use documents labeled [sml] or [lrg] as specified in the Introduction to PEP. These documents are contained in the automated Report of Examination.*
- Diskette with CIR in WordPerfect 6.1 or Microsoft Word
  - Return Postage
- Either:
- A self-addressed pre-paid business reply label, or
  - FedEx label with account number for billing to the FDIC
- The person sending the information should determine which method of return postage to use, based on the volume of information expected from the financial institution.
- NOTE: Tailor all documents and the diskette to the financial institution.*

**Prepare the Entry Letter**

1. The entry letter should request that:
- The CIR be submitted to the FDIC field office within 30 days of receipt of request
  - The CDR be assembled and made available to the EIC at the start of the on-site portion of the examination, if the institution elects not to forward this information to the field office for PEP review

**Optional Request**

2. If the financial institution was requested at the previous examination to reimburse customers for violations of Regulation Z, and the number of loans with required reimbursement is small, request that the documentation required to conduct the procedures contained under the Truth in Lending Restitution Verification Procedures section of this manual be sent to the field office. This request should only be made if the documentation requested will not be a regulatory burden to the financial institution.

## PROCEDURES (cont'd)

Send the Compliance Information Request (CIR)	
<i>NOTE: Deletions and additions may be made to this document, as warranted. Additions to the CIR should not overly burden the financial institution.</i>	
1.	Select the appropriate CIR [lrg or sml], depending on whether the financial institution is considered a large or small institution pursuant to the CRA regulation.
2.	Send appropriate CIR to the financial institution in <u>both</u> diskette and hardcopy format.
Information requested by the CIR	
<p>The CIR directs the financial institution's management to submit the following information to the FDIC field office within 30 days:</p> <ul style="list-style-type: none"> <li>• A list of all office locations, identified by street address</li> <li>• A list of directors and officers, identified by name and title</li> <li>• HMDA-LAR activity since the previous examination not available through FDIC sources</li> <li>• Any information relating to revisions to the financial institution's HMDA-LARs made after the financial institution's initial filing with the FDIC</li> <li>• Any analysis of lending patterns (geo-analysis), if available, and if performed by the institution on a voluntary basis</li> <li>• A list of census tracts or block numbering area designations in the financial institution's delineated community(ies) or assessment area</li> <li>• The names and locations of individuals who have access to financial institution records (large institutions)</li> <li>• Answers to certain questions that will assist in determining and focusing the examination scope</li> </ul>	

Send the Compliance Document Request (CDR)	
<i>NOTE: Deletions and additions may be made to this document, as warranted. Additions to the CDR should not overly burden the financial institution.</i>	
1.	<p>Select the appropriate CDR [lrg or sml], depending on whether the financial institution is considered a large or small institution pursuant to the revised CRA regulation.</p> <p>The CDR directs the management to assemble various financial institution documents and make those documents available to the EIC at the start of the on-site phase of the examination. The institution will have the option to forward some of this material to the field office for PEP if it chooses.</p>

**COMMUNITY  
CONTACTS**

The FFIEC Community Contacts Procedures contained in the Community Contact section of this manual provide detailed instructions for selecting contacts and conducting interviews, as well as reviewing contacts conducted by the FDIC and other regulatory agencies, in the geographic area of the financial institution scheduled to be examined.

Procedures
<p>1. Examiners should review recent interviews conducted in the local area by the FDIC and other regulatory agencies.</p> <p>The purpose of this review is to:</p> <ul style="list-style-type: none"><li>• Provide examiners with a more comprehensive understanding of an institution's community(ies)</li><li>• Assist examiners to identify potential community contacts to be scheduled or made during PEP</li></ul> <p><i>NOTE: FDIC policy requires the Regional Office to periodically distribute a listing of FDIC and other regulatory agency prepared community contact interviews to each FDIC field office.</i></p> <p><i>Refer to Regional Manager Memorandum, Community Contacts and Community Reinvestment Act, Transmittal # 94-35, dated 3/1/94.</i></p>

It is recommended that field offices file the forms by location (city, state) of the contact for easy retrieval. The Community Affairs Program (CAP) staff will periodically provide field offices with a list of interviews conducted. Additional information may be requested from the Regional Office staff concerning contacts listed or other contacts recently made.

*Refer to the FFIEC Community Contacts Procedures section of this manual.*